



Date: February 28, 2013
To: Thomas Bonfield, City Manager
From: Germaine Brewington, Director of Audit Services
Subject: Transmittal of CDBG Application Process Follow-Up Performance Audit (February 2013)

Executive Summary

The Audit Services Department completed the report for the CDBG Application Process Follow-Up Performance Audit dated February 2013. The purpose of the audit was to verify if the Department of Community Development implemented the recommendations proposed in the CDBG Application Process Performance Audit dated December 2011.

Background

The Community Development Block Grant (CDBG) funds are available to local municipal or county governments for projects that enhance the viability of communities. These grants provide funding for decent housing and suitable living environments and expand economic opportunities, principally for persons of low and moderate income. It is imperative that the application process for these grant funds be transparent and that the scoring of the applications be consistent and fair. The CDBG Application Process Performance Audit dated December 2011 had five findings. The Audit Services staff proposed the following five recommendations to address the audit findings:

- The Department of Community Development should make changes to the sub-recipient selection process;
- The Department of Community Development should ensure that the members of the Citizens Advisory Committee sign a conflict of interest form on an annual basis;
- The Department of Community Development should ensure that purchase orders generated for the Relocation Program expenditures contain all relevant information;
- The Department of Community Development should ensure that owners are notarizing the required documents for all Programs;
- The Department of Community Development should monitor and manage the total cost of the contracts.

All recommendations from the 2011 audit report have been implemented.

**Issues and Analysis**

The attached report details the objectives and observations of the CDBG Application Process Follow-Up Performance Audit dated February 2013. No findings or recommendations were made.

Recommendation

The Department of Audit Services recommends the City Council receive and accept the CDBG Application Process Follow-Up Performance Audit dated February 2013 as presented and approved at the February 25, 2013 Audit Services Oversight Committee meeting.